ABSTRACT

A simplified trade finance method useful, inter alia, in international trade in goods or services, a "traded product", can employ one, and preferably two, novel, modified bills of exchange. A first bill of exchange, which is a payment draft, is executed by a buyer B, and returned to seller S prior to release of the traded product by seller S. Seller S can obtain credit verification of the first bill of exchange, if necessary, before releasing the traded product, protecting seller S from failure of buyer B to pay. The first bill of exchange can be dormant and non-negotiable until activated by an event agreeable to buyer B, for example, release of the traded product. Buyer B is thus protected against seller S delaying or failing to ship the traded product after having received a payment instrument from buyer B.